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Dated: 22nd December, 2014

Shri Arvind Kumar
Advisor (NSL)
Telecom Regulatory Authority of India
Mahanagar Door Sanchar Bhawan,
Jawahar Lal Nehru Marg,
New Delhi-110002

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Subject: Consultation Paper (13/2014) on Interconnection Usage Charges

Dear Sir,

Association of Competitive Telecom Operators (ACTO) is pleased to submit its comments on TRAI Consultation Paper (13/2014) on Interconnection Usage Charges.

We hope that our comments (enclosed as Annexure - I) will merit consideration of the Hon'ble Authority.

Thanking you,
Respectfully submitted

Yours sincerely,
for Association of Competitive Telecom Operators

Handwritten signature of Tapan K. Patra in blue ink.

Tapan K. Patra
Director
9899242273

Encl: As above

Handwritten signature and date in blue ink.
23.12.2014

Handwritten text in blue ink.
SRO(NSL) - Sh. Vinay

सलाहकार (एन.एस.एल.-1)
डायरी सं. 7844
दिनांक 23/12/14

Annexure-I

Response from ACTO on TRAI consultation paper on Interconnection of Usage Charges.

Interconnection Usage Charges (IUC) is an important component of telecom connectivity. ACTO believes that as generally accepted costing principles, these charges may be determined on Cost based and work done principles as adopted by TRAI in other telecom pricing.

ACTO believes that International voice segment may be left on market forces and there should be only light touch regulations.

Q16: Do you feel that the Authority's intervention is necessary in the matter of International Settlement Rates? If so, what should be the basis to determine International Settlement Rates?

ACTO's response:

It is preferable that international settlement rates be determined through commercial negotiations between the ILDOs that are exchanging traffic. The ILDOs will be in the position to make judgments based on market trends in termination rates for international traffic.

Q17: Is there a need to fix a floor for international carriage charge for incoming international traffic or prescribe some revenue share between access service provider and the ILDO to safeguard the interest of ILDOs?

ACTO's response:

There is no need to fix a floor for the international carriage charges for incoming traffic, as long as the ILDOs that are exchanging traffic are fully enabled to enter into commercial agreements for such charges. Creating a floor could distort the market and would preclude ILDOs from responding to market trends and expanding the volume of traffic exchanged. It is unclear what the basis for such a floor would be and why its imposition would benefit the sector. If there is evidence of anti-competitive conduct by an access provider or an ILDO, the Authority should be in the position to take action on a case-by-case basis.

Q18: What is the most appropriate level for International Termination Charge? Should it be uniform or should it depend on the originating country/region? Please provide full justification for your answer.

ACTO's response:

The global market for international termination is complex and subject to frequent change, including on a specific route. Thus, it is unrealistic to establish regulated levels for international termination on specific routes. ILDOs in India and those elsewhere are to establish commercial negotiations at different levels for the termination of traffic from rest of the world.
